

circumstances are favorable to pressures and submissions which lead to temporary victories by reactionary forces in some nations of the world.

On China: How can those who support the demands of imperialism be described in political and moral terms? Anything can be expected from a country where a ridiculous mortal has been converted into a god, where they destroyed the party and its best cadres during the days of the mad adventure of the Cultural Revolution and allowed themselves to be dragged by petit bourgeois spirit and big power chauvenism into betraying internationalism and converting a socialist state into a satrapy of nepotism (a reference to the power of Mao Tse-tung's wife Chiang Ching—ed.) . . .

Anything can be expected from them. Why should it surprise us that the Chinese government today supports the bloody and fascist Pinochet regime? . . . Why should we be surprised that it cooperates with Mobutu and with NATO interventionist forces? . . . Or that it joins the reactionary forces of Britain and the Federal Republic of Germany or that it joins NATO in Europe or Yankee imperialism everywhere, or that it grossly and dangerously wagers on the inevitability of a third world war?

But of all the crimes committed by the Chinese leadership, the most odious is its hostility toward

Vietnam. Everyone knows that behind the artificially created so-called problem of the Hoa (ethnic Chinese in Vietnam — ed.) stand the Chinese.

A completely chauvinistic campaign is now being waged in China against the Vietnamese and all Chinese economic cooperation with Vietnam has been suspended. It is in this criminal and unscrupulous manner that the Vietnamese effort to rebuild the country, cruelly devastated by the imperialist war, is being sabotaged.

On Nonaligned Meeting: According to reports from the United States, this government has contacted 15 nonaligned countries to question Cuba's role in this movement. It would be interesting to know what 15 foreign ministries the U.S. has spoken to and what their reply has been.

Why does the U.S. worry so much about the sixth summit conference in Havana? Why does it try to sabotage it? Who is playing the game in this maneuver? What goals do they seek within our movement If some governments are for sale, Cuba cannot be bribed. The U.S. knows it. We will not betray our internationalist principles. We will never bow to imperialist pressures and blackmail.

There are two paths open in the world today — reaction and progress. One must choose: one cannot be neutral.

ASEAN Summit Backs New World Economic Order

An on-the-scene report from Washington D.C.

Philippine Foreign Secretary Carlos Romulo set the tone for the conference of five nations of the Association of Southeast Asian Nations (ASEAN) convened in Washington Aug. 3-4, with an opening declaration that the conference was taking place at a "particularly appropriate time for the summit meeting at Bonn has taken full cognizance of the needs of the developing countries." Romulo attacked the "evil of rampant protectionism" and affirmed that the "establishment of a New World Economic Order" is the key issue "on this century's agenda."

Senior ministers from Indonesia, Malaysia, the Philippines, Thailand, and Singapore arrived in Washington as the first leaders of developing sector nations to hold formal talks with the Carter Administration since the historic Bremen-Bonn economic summits. In a red carpet reception, President Carter, Secretary of State Cyrus Vance, and other cabinet members held two days of talks with the delegations.

However, reflecting the state of embattled confusion and hesitancy that has gripped the Administration since Bremen and Bonn, the U.S. failed to take advantage of this golden opportunity to develop the Bonn commitments for a new monetary system and nuclear energy into concrete proposals.

The press conference closing the two-day economic conference between the U.S. and the ASEAN nations announced that ASEAN is seeking "friendly and good relations with the Socialist Republic of Vietnam." Philippines Foreign Minister Romulo told the press that there had been absolutely no discussion of military questions and that the U.S.-backed SEATO military alliance was "embalmed and buried." Romulo revealed that Vietnamese Prime Minister Pham Vam Dong had informed his government that he would like to visit Manila.

ASEAN leaders were determined to impress upon the U.S. that as the world's foremost industrial power, the United States carries the burden of responsibility

for the industrial development of the developing sector. Steering clear of military questions, the ministers presented the ASEAN organization as the primary vehicle by which the U.S. could mediate a positive economic relationship with the entire region.

Carter Puntis

The presence of President Carter, Secretary of State Vance and a host of State and Commerce Department senior officials at the meeting signaled the Administration's determination to impress upon its guests that the U.S. is cognizant of these responsibilities. But the added presence of Treasury Secretary Blumenthal, Undersecretary of State for Economic Affairs Richard Cooper, and Energy Czar James Schlesinger put a damper on hopes that the ASEAN leaders would have something substantial to show for their efforts at the meeting's end.

The ASEAN leaders met with Congressmen and Senators Aug. 1 impressing upon them that they do not encourage U.S. fostering of so-called "appropriate technologies," the International Monetary Fund-World Bank code words for labor-intensive methods and primitive energy forms for Third World countries. The delegations made clear that the only meaningful way to deal with "basic human rights" is through rapid industrialization of their countries. Despite the fact that many of the Congressmen were willing to be convinced, Jacob Javits, top Zionist Lobby senator from New York, answered with a World Bank call for labor-intensive industries and projects for the region.

ASEAN leaders reminded the congressmen that for years the U.S. has lectured them on the wisdom of "trade and not aid," and yet more and more barriers have been thrown up against developing nations' exports. Observers reported that although the congressional talks ruffled a few feathers, the closed-door sessions on the State Department level were held in a businesslike manner.

One official announced that John Moore, chairman of the U.S. Eximbank, will be making a tour of the region in November, to be followed by a mission from the Overseas Private Investment Corporation, led by former Deputy Secretary of State Charles Robinson. Both trips will be geared to support ASEAN industrial projects. An ASEAN-U.S. Business Council will also be formed under the auspices of the ASEAN Chambers of Commerce and the U.S. Chambers of Commerce and Industry.

The Question of Trade

Last year a billion-dollar commitment was made by Japanese Prime Minister Fukuda in support of ASEAN's five industrial projects. Nothing even approaching such a commitment came from the U.S. side at this year's conference.

The U.S. is ASEAN's second largest trading partner, after Japan. Most of ASEAN's exports are going to the U.S. and are denominated in U.S. dollars.

What Is ASEAN?

ASEAN was formed 11 years ago in Bangkok by the Foreign Ministers of Indonesia, Malaysia, Singapore, Thailand and the Philippines as a nonmilitary, politically and economically oriented regional organization.

In an effort to promote further industrial development of the region, the 1977 Summit Conference of ASEAN leaders launched feasibility studies for five industrial projects, with a \$1 billion financing commitment from Japan.

In 1971, ASEAN adopted a proposal calling for the Southeast Asian region to be declared a Zone of Peace, Freedom, and Neutrality. In this effort it has moved to normalize relations with the Indochina states of Vietnam, Laos, and Cambodia.

Under attack by the British, the sagging dollar is creating serious problems for ASEAN nations' foreign trade balances.

Indonesia, thanks to oil exports, has been running a balance-of-payments surplus of nearly \$1 billion, but this year faces a probable deficit with a possible 50 percent devaluation of its currency.

ASEAN inquiries as to what the U.S. intends to do about the sagging dollar were met with a terse "no comment" by Secretary Blumenthal, who was said to have downplayed the Bonn meet and the new European Monetary System during discussions at the meeting. Blumenthal continued his attempt to portray IMF dictates as official American policy and asserted that the U.S. sees no reason to make any supportive commitments to the EMS.

No To Cold War

With growth rates of 7 percent and better, ASEAN faces a tremendous demand for energy. Except for Singapore, all the member countries have nuclear energy programs at various stages of development, although the Philippines is the only country so far to reach the construction stage of one power plant. Similarly this concern was answered in the negative by Energy Secretary Schlesinger. Without a word on nuclear power, Energy Secretary Schlesinger brushed aside this concern and instead proposed joint studies on biomass, tidal and solar power schemes.

Romulo's opening statement dispensed with the Cold War rhetoric and declared that the post-Vietnam war period was in fact an "opportunity" for regional development.

Malaysian Foreign Minister Rithauddeen reported that relations with Vietnam were progressing very well and welcomed the move by Vietnam to drop its

opposition to ASEAN and the "Zone of Peace" concept. Thai Foreign Minister Upadit Pachariyangkun also reported that good relations are developing between his country and Laos and Vietnam.

But these statements apparently did not wash well with Singapore Foreign Minister Rajaratnum, an old Cold Warrior who has been Foreign Minister of this

former British colony for the last decade and a half. Speaking "extemporaneously" in an unscheduled presentation, this old student of London's Kings College implored the U.S. to step up its presence in the region so that Asia does not go "over to the other side," i.e., to the Soviet Union.

— Dean Andromidas

Taiwan: A Model For Third World Development

An exclusive interview with a top Taiwan trade official

Largely ignored in the recent attention directed at whether the U.S. will close its embassy in Taiwan and establish full diplomatic relations with the People's Republic of China has been the story of the extraordinary rate of growth of the economy of Taiwan (Republic of China). Growing from a totally underdeveloped backwater of China in 1949, to a major trading power with \$20 billion in bilateral trade in 1977, Taiwan is an example of a Third World country that applied consistent governmental policies to foster very rapid rates of industrial growth. With most of its trade in manufactured goods, Taiwan now boasts a per capita income of \$1,079, an increase of 900 percent in 15 years.

The fact that Taiwan, an island nation of 17 million, is well on its way to becoming an industrially developed nation adds weight to the concern for what will happen to it at the point that the U.S. switches its diplomatic recognition. Only naive observers — and those who favor "normalization" at any cost for more sinister reasons — believe that "guarantees" from Peking offer any hope that Taiwan can escape absorption by the PRC in the long run.

Given the disparity of economic development, income levels, degree of individual and political freedom and economic system, there is no "formula" for unification that could possibly maintain any semblance of Taiwan's present standard of living or life style. The dilemma would seem to confront the Taiwan government with no choice but to declare itself an independent country and abandon its claim to the mainland of China, but this course has domestic perils for the mainlander-dominated ruling KMT Party, and offers no guarantee that such a course would gain international recognition.

Faced with this dilemma, the KMT's leadership, headed by Chiang Ching-kuo, son of Generalissimo Chiang Kai-shek, has turned to economic development as the best guarantee of government security. And the record is impressive. The nation's Gross National

Product has jumped from \$1.33 billion in 1952 to \$3.5 billion in 1965 to \$19.49 billion in 1977. From 1953-63, the economic growth rate (in constant prices) was 7.1 percent, jumping to 9.5 percent from 1964-74, and after a one year lull, hit 11.5 percent and 8.1 percent in 1976 and 1977 respectively. Industrial growth has been even more dramatic, rising 28 times since 1952, at an annual rate of 15.4 percent. Housing construction since 1953 has risen at a 27.6 percent annual rate of growth.

Figures for Taiwan's foreign economic relations belie the widely held belief that Taiwan owes its economic strength solely to its close relation to the U.S. and to resulting heavy U.S. investment. While U.S. investment has been very important, the total over the 25-year period from 1952-77 has been only \$516 million, and total foreign investment, including from overseas Chinese, only \$1.19 billion.

The Republic of China's agricultural and industrial policies are responsible for making productive use of the existing foreign investment. In the 1950s, Taiwan instituted a thoroughgoing land reform and emphasized agricultural development, achieving rates of growth of 2-4 percent per annum since 1952, averaging 3.2 percent for crops. From 1960, a heavy emphasis has been put on industrialization, which began with food and related industries, clothing, housing, transport equipment and later branched into electric and mechanical industries. Now slated for major development are industries which describe themselves as "technology-intensive" such as sophisticated electronics, precision machinery, as well as the heavy and petrochemical industries such as heavy machinery, shipbuilding, iron and steel and chemical products.

Taiwan Official Explains How They Did It

Printed below is an exclusive interview with Mr. H. K. Shao, the Director General of the Board of Foreign